

Message Text

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PAGE 01 KUALA 02907 110743Z

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 /025 W

-----110744Z 005428 /11

R 100807Z MAY 77

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 7169

INFO AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE KUALA LUMPUR 2907

E.O. 11652: N/A

TAGS: EINV, MY

SUBJECT: INDUSTRIAL COORDINATION ACT APPLICATIONS COME IN

1. ON MAY 9, DEPUTY MINISTER OF TRADE AND INDUSTRY, DATUK MOHAMED RAHMAT, ANNOUNCED THAT AS OF CLOSING DATE (APRIL 30) FOR SUBMISSION OF EITHER APPLICATION FOR MANUFACTURING LICENSE OR LETTER OF INTENT TO SUBMIT APPLICATION UNDER TERMS OF INDUSTRIAL COORDINATION ACT (ICA), HIS MINISTRY HAD RECEIVED 1,053 LICENSE APPLICATIONS AND ABOUT 1,000 LETTERS OF INTENT FROM MALAYSIAN AND FOREIGN FIRMS. OF THE 1,053 FORMAL APPLICATIONS, 624 HAVE ALREADY BEEN APPROVED AND THE REMAINDER ARE BEING PROCESSED.

2. KAMARUDDIN BIN NORDIN, DIRECTOR OF INDUSTRY DIVISION (WHICH PROCESSING LICENSES) OF MINISTRY OF TRADE AND INDUSTRY (MTI) TOLD EMBOFF THAT IN THE WEEK AND A HALF FOLLOWING THE APRIL 30 DEADLINE APPLICATIONS AND LETTERS OF INTENT HAVE CONTINUED TO POUR IN. HE DID NOT INDICATE, HOWEVER, THE RATIO AS BETWEEN APPLICATIONS AND LETTERS OF INTENT BUT WE BELIEVE MOST WOULD BE THE LATTER BECAUSE SUCH STEP COMPLIES WITH LAW, IS EASIER TO TAKE AND PROVIDES GRAVE PERIOD FOR APPLICATANT. KAMARUDDIN DOES NOT HAVE A COUNT AT PRESENT BUT HAS PROMISED TO PROVIDE ONE TO EMBASSY AS SOON AS COMPLETED.

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PAGE 02 KUALA 02907 110743Z

HE STATED THAT HE IS PLEASED WITH THE NUMBER OF SUBIMSSIONS AND THAT HIS MINISTRY WILL TAKE NO ACTION FOR SOME TIME TO COME ON THOSE COMPANIES WHICH HAVE NOT YET SUBMITTED APPLICATIONS OR LETTERS. HE FURTHER COMMENTED THAT THE 624 APPROVALS INCLUDED MANY APPLICATIONS SUBMITTED LONG IN ADVANCE OF THE APRIL 30 DEADLINE.

3. COMMENT: AS EXPECTED, MANY FIRMS IN MALAYSIA ARE COMPLYING, NO MATTER HOW UNENTHUSIASTICALLY, WITH THE TERMS OF THE ICA SINCE THERE IS NO VIABLE ALTERNATIVE (EARLIER, MTI ESTIMATED THAT ABOUT 4,000 FIRMS WOULD HAVE TO APPLY FOR LICENSES). GREAT UNHAPPINESS OVER THE ACT CONTINUES TO BE FELT, ESPECIALLY BY CHINESE BUSINESSMEN AND MOST ARE WATCHING SUSPICIOUSLY FOR SIGNS OF THE GOM'S MUCH VAUNTED "PRAGMATISM" IN THE GRANTING OF LICENSES. THIS PRESUMABLY IS BEING REVEALED THROUGH THE TERMS OF THOSE LICENSES WHICH HAVE BEEN APPROVED ALTHOUGH WE SUSPECT THAT MTI IS HANDLING THE EASIEST CASES FIRST IN ORDER TO ESTABLISH A FAVORABLE TRACK RECORD. AS YET, HOWEVER, WE HAVE NO READING ON THIS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS FIRMS, LICENSES
Control Number: n/a
Copy: SINGLE
Sent Date: 10-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUALA02907
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770165-0542
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770575/aaaacmrw.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9150c397-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2585905
Secure: OPEN
Status: NATIVE
Subject: INDUSTRIAL COORDINATION ACT APPLICATIONS COME IN
TAGS: EINV, MY
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9150c397-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009